

Message Text

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ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 SP-02 AID-05 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 PA-01 PRS-01 USIA-06 AGR-05 /080 W

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R 150347Z JAN 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6298

INFO AMCONGEN BOMBAY

AMCONGEN CALCUTTA

AMCONGEN MADRAS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: INDIA'S FOREIGN EXCHANGE RESERVE

REF: NEW DELHI 15991

SUMMARY: INDIA'S FOREIGN EXCHANGE RESERVES WERE \$1,341 MILLION AT END-SEPTEMBER, 1974 AND ARE ESTIMATED BY EMBASSY TO BE \$1,493 MILLION AT END-NOVEMBER, 1974. END SUMMARY.

1. OFFICIAL INDIAN DATA ON RESERVES FOR THE MONTH OF SEPT, 1974 SHOW RESERVE BANK OF INDIA (RBI) HOLDINGS OF: (A) FOREIGN EXCHANGE OF RS. 6.14 BILLION (\$762 MILLION BASED ON END-SEPT. DOLLAR-STERLING CROSS RATE IN LONDON MARKET OF RS. 8.06 EQUAL \$1.00) AND (B) GOLD OF RS. 1.83 BILLION (\$291 MILLION AS MEASURED BY THE U.S. \$/SDR TRANSACTIONS VALUE ON THE BASIS OF THE "BASKET" VALUATION OF THE SDR AT END-SEPT.). ACCORDING TO DEC., 1974 INTERNATIONAL FINANCIAL STATISTICS (IFS), INDIA'S

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SDR HOLDINGS AT END-SEPT. WERE \$288 MILLION. TOTAL RESERVES AT

END-SEPT. THUS TOTALLED \$1,341 MILLION.

2. ONLY INCOMPLETE DATA AVAILABLE PAST SEPT. ACCORDING TO THE RBI'S WEEKLY BALANCE SHEET, THE RBI ON NOV., 29, 1974 HAD FOREIGN EXCHANGE HOLDINGS OF RS. 7.36 BILLION (\$911 MILLION BASED ON DOLLAR-STERLING CROSS RATE IN LONDON OF NOV. 29 OF RS. 8.08 EQUAL \$1.00). FIGURE INCLUDES BORROWING OF \$237 MILLION FROM IMF'S OIL FACILITY.

3. INDIA'S GOLD HOLDINGS AS OF NOVEMBER 29 CONTINUED TO BE LISTED BY RBI AS RS. 1.83 BILLION. ASSUMING THAT THERE WAS ONLY A SMALL CHANGE IN THE U.S. \$/SDR RATE SINCE END-SEPT. WHEN RS. 1.83 BILLION IN GOLD WAS EQUIVALENT TO \$291 MILLION, WE ESTIMATE THAT GOLD RESERVES ON NOV. 29 WERE EQUIVALENT TO \$291 MILLION.

4. HOLDINGS OF SDRS WERE \$289 MILLION AT END-OCT., ACCORDING TO IFS. ASSUMING NO CHANGE IN THE NUMBER OF SDRS HELD BY INDIA SINCE END-OCT., THE DOLLAR VALUE OF INDIA'S SDR HOLDINGS AT END-NOV. IS ASSUMED TO CONTINUE TO BE IN NEIGHBORHOOD OF \$289 MILLION. TOTAL RESERVES AT END-NOV., THEREFORE, ARE ESTIMATED BY EMBASSY AT \$1,491 MILLION. TOTAL RESERVES, EX ALL BORROWINGS FROM THE IMF, WERE \$896 MILLION.
SCHNEIDER

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